

# Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

December 16, 2014

RECEIVED  
DEC 17 2014  
PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen, Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Wood Creek Water District PSC Application

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Wood Creek Water District for an Order authorizing the District to issue securities pursuant to KRS 278.300.

This Application requests approval of the issuance of securities for the purpose of refunding certain high interest Bonds of the District held by USDA, Rural Development.

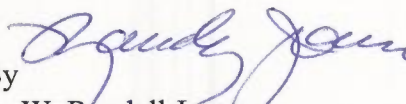
**Please be advised that the District is requesting the Commission to expedite this Application and issue the approving Order on or before January 29, 2015 due to the fact that an upward shift in the current interest rate market could negate any interest cost savings to the District.**

Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jl  
Enclosures

cc: Mr. Dewayne Lewis, Wood Creek Water District  
Ms. Kristen Millard, Raymond James and Associates

RECEIVED

DEC 17 2014

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF WOOD CREEK )  
 WATER DISTRICT TO ISSUE SECURITIES IN )  
 THE APPROXIMATE PRINCIPAL AMOUNT OF )  
 \$1,485,000 FOR THE PURPOSE OF REFUNDING ) CASE NO. 2014 - \_\_\_\_\_  
 CERTAIN OUTSTANDING REVENUE BONDS OF )  
 THE DISTRICT PURSUANT TO THE PROVISIONS )  
 OF KRS 278.300 AND 807 KAR 5:001 )

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APPLICATION

The Applicant, Wood Creek Water District (the "District"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the District to issue certain securities in the approximate principal amount of \$1,485,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding waterworks revenue bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Laurel County, which Order is on file in the County Court Order Books in the office of the Clerk of Laurel County, Kentucky. The District is now, and has been since its inception, regulated by the Commission, and

all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of the District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of the District is as follows:

Wood Creek Water District  
c/o Mr. Dewayne Lewis, Manager - [dewaynelewis@woodcreekwater.org](mailto:dewaynelewis@woodcreekwater.org)  
P.O. Box 726  
London, Kentucky 40743  
Telephone: (606) 878-9420  
[www.woodcreekwaterdistrict.com](http://www.woodcreekwaterdistrict.com)

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2013 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,485,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as (i) Wood Creek Water District Waterworks Revenue Bonds of 1992, dated February 19, 1992, in the original principal amount of \$114,000, bearing interest at the rate of 5.00% per annum (the "1992 Bonds"); and (ii) Wood Creek Water District Waterworks Revenue Bonds, Series 1996, dated July 21, 1998, in the original principal amount of \$1,711,000, bearing interest at the rate of 4.75% per annum (the "1996 Bonds") (hereinafter, the 1992 Bonds and the 1996 Bonds shall be collectively referred to as the "Prior

Bonds”). The Prior Bonds are held by the U.S. Department of Agriculture, acting through Rural Development.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit A** which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rates are subject to change because of market conditions. The final terms and details of the KRWFC Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; and (iii) pay the fees and expenses incident to the issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit B**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will result in a net present value cashflow savings of approximately \$184,509.76. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit C**.

10. The final principal amount of the KRWFC Loan will be adjusted based upon final interest rates which will be known on or about the date of sale of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. The Applicant will not issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any debt service savings.

11. The Debt Service Schedule of the outstanding Prior Bonds being refunded is set forth in **Exhibit D**.

12. The District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.

13. The District represents that it will, as soon as reasonably possible after the closing of the KRWFC Loan, file with the Commission a statement setting forth the date of issuance of the KRWFC Loan, the price paid, the fees and expenses incurred in the issuance of the KRWFC Loan, and the terms and interest rates of the KRWFC Loan.

14. The detailed Statement of Revenues, Expenses and Changes in Net Position, Statement of Net Position and Statement of Cash Flows for the twelve month period ending on December 31, 2013 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the District hereby responds as follows:

- (i) Section 12(1)(b): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the Commission.

- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the 2013 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays on dividends.
- (vi) Section 12(2)(i) Financial Statements: See paragraph #14 above.

16. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:

- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's 2013 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of the District's water system.

- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Bonds.
- (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
- (vi) Section 18(1)(f): The details of the refunding of the Prior Bonds are contained in this Application and the Exhibits hereto.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KRWFC Loan is being provided to the State Local Debt Officer.
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.
- (x) Section 18(2)(c): No property is being acquired with the proceeds of the KRWFC Loan.

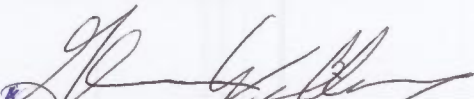
17. No rate adjustment will be necessary.

**WHEREFORE**, the District respectfully requests that the Commission take the following actions:

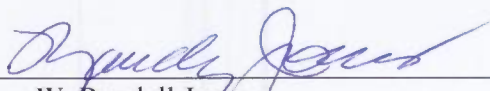
1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to the District by taking full advantage of current low interest rates, the District requests that the Commission issued its Order on or before **January 29, 2015**; and
3. Process this Application without a formal hearing in order to save time and expense.

The District will promptly respond to any information requests by the Commission's staff.

Wood Creek Water District

By   
Glenn Williams, Chairman  
P.O. Box 726  
London, Kentucky 40743  
Phone: (606) 878-9420  
Fax: (606) 878-9425  
Email: [dewaynelewis@woodcreekwater.org](mailto:dewaynelewis@woodcreekwater.org)

Rubin & Hays


By   
W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7525  
Fax: (502) 569-7555  
Counsel for Wood Creek Water District  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)



STATE OF KENTUCKY            )  
                                          ) SS  
COUNTY OF LAUREL         )

The affiant, Glenn Williams, being first duly sworn, states: That he is the Chairman of the Wood Creek Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 12 day of December, 2014.

  
\_\_\_\_\_  
Glenn Williams, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Glenn Williams, Chairman of the Wood Creek Water District, on this the 12 day of December, 2014.

My Commission expires: 10-20-2015.

  
\_\_\_\_\_  
NOTARY PUBLIC

Preliminary

**\$1,485,000**

Wood Creek Water District  
 Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/20/2015	-	-	-	-	-
08/01/2015	-	-	28,370.13	28,370.13	-
12/31/2015	-	-	-	-	28,370.13
02/01/2016	45,000.00	3.500%	26,736.25	71,736.25	-
08/01/2016	-	-	25,948.75	25,948.75	-
12/31/2016	-	-	-	-	97,685.00
02/01/2017	50,000.00	2.650%	25,948.75	75,948.75	-
08/01/2017	-	-	25,286.25	25,286.25	-
12/31/2017	-	-	-	-	101,235.00
02/01/2018	50,000.00	2.700%	25,286.25	75,286.25	-
08/01/2018	-	-	24,611.25	24,611.25	-
12/31/2018	-	-	-	-	99,897.50
02/01/2019	50,000.00	2.700%	24,611.25	74,611.25	-
08/01/2019	-	-	23,936.25	23,936.25	-
12/31/2019	-	-	-	-	98,547.50
02/01/2020	55,000.00	3.000%	23,936.25	78,936.25	-
08/01/2020	-	-	23,111.25	23,111.25	-
12/31/2020	-	-	-	-	102,047.50
02/01/2021	50,000.00	3.850%	23,111.25	73,111.25	-
08/01/2021	-	-	22,148.75	22,148.75	-
12/31/2021	-	-	-	-	95,260.00
02/01/2022	55,000.00	3.800%	22,148.75	77,148.75	-
08/01/2022	-	-	21,103.75	21,103.75	-
12/31/2022	-	-	-	-	98,252.50
02/01/2023	55,000.00	3.700%	21,103.75	76,103.75	-
08/01/2023	-	-	20,086.25	20,086.25	-
12/31/2023	-	-	-	-	96,190.00
02/01/2024	55,000.00	3.600%	20,086.25	75,086.25	-
08/01/2024	-	-	19,096.25	19,096.25	-
12/31/2024	-	-	-	-	94,182.50
02/01/2025	60,000.00	3.600%	19,096.25	79,096.25	-
08/01/2025	-	-	18,016.25	18,016.25	-
12/31/2025	-	-	-	-	97,112.50
02/01/2026	60,000.00	3.600%	18,016.25	78,016.25	-
08/01/2026	-	-	16,936.25	16,936.25	-
12/31/2026	-	-	-	-	94,952.50
02/01/2027	65,000.00	3.650%	16,936.25	81,936.25	-
08/01/2027	-	-	15,750.00	15,750.00	-
12/31/2027	-	-	-	-	97,686.25
02/01/2028	65,000.00	3.650%	15,750.00	80,750.00	-
08/01/2028	-	-	14,563.75	14,563.75	-
12/31/2028	-	-	-	-	95,313.75
02/01/2029	70,000.00	3.550%	14,563.75	84,563.75	-
08/01/2029	-	-	13,321.25	13,321.25	-
12/31/2029	-	-	-	-	97,885.00
02/01/2030	70,000.00	3.500%	13,321.25	83,321.25	-
08/01/2030	-	-	12,096.25	12,096.25	-
12/31/2030	-	-	-	-	95,417.50
02/01/2031	75,000.00	3.650%	12,096.25	87,096.25	-
08/01/2031	-	-	10,727.50	10,727.50	-
12/31/2031	-	-	-	-	97,823.75
02/01/2032	75,000.00	3.650%	10,727.50	85,727.50	-
08/01/2032	-	-	9,358.75	9,358.75	-
12/31/2032	-	-	-	-	95,086.25
02/01/2033	70,000.00	3.700%	9,358.75	79,358.75	-
08/01/2033	-	-	8,063.75	8,063.75	-
12/31/2033	-	-	-	-	87,422.50
02/01/2034	75,000.00	3.850%	8,063.75	83,063.75	-
08/01/2034	-	-	6,620.00	6,620.00	-
12/31/2034	-	-	-	-	89,683.75
02/01/2035	80,000.00	3.850%	6,620.00	86,620.00	-
08/01/2035	-	-	5,080.00	5,080.00	-
12/31/2035	-	-	-	-	91,700.00
02/01/2036	80,000.00	3.950%	5,080.00	85,080.00	-
08/01/2036	-	-	3,500.00	3,500.00	-
12/31/2036	-	-	-	-	88,580.00
02/01/2037	85,000.00	4.000%	3,500.00	88,500.00	-
08/01/2037	-	-	1,800.00	1,800.00	-
12/31/2037	-	-	-	-	90,300.00
02/01/2038	90,000.00	4.000%	1,800.00	91,800.00	-
12/31/2038	-	-	-	-	91,800.00
<b>Total</b>	<b>\$1,485,000.00</b>	<b>-</b>	<b>\$737,431.38</b>	<b>\$2,222,431.38</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$19,730.38
Average Life	13.286 Years
Average Coupon	3.7375437%
Net Interest Cost (NIC)	3.7959392%
True Interest Cost (TIC)	3.7980647%
Bond Yield for Arbitrage Purposes	3.7144896%
All Inclusive Cost (AIC)	3.9872263%
<b>IRS Form 8038</b>	
Net Interest Cost	3.6940967%
Weighted Average Maturity	13.151 Years

**Raymond James**

Public Finance

Preliminary

**\$1,485,000**

Wood Creek Water District  
Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program

## Sources & Uses

Dated 01/20/2015 | Delivered 01/20/2015

### Sources Of Funds

Par Amount of Bonds	\$1,485,000.00
Reoffering Premium	10,753.35

**Total Sources** **\$1,495,753.35**

### Uses Of Funds

Total Underwriter's Discount (1.500%)	22,275.00
Costs of Issuance	27,275.00
Deposit to Current Refunding Fund	1,442,419.10
Rounding Amount	3,784.25

**Total Uses** **\$1,495,753.35**

Preliminary

**\$1,485,000**

Wood Creek Water District  
Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2015	28,370.13	28,370.13	34,286.25	5,916.12
12/31/2016	97,685.00	97,685.00	106,541.25	8,856.25
12/31/2017	101,235.00	101,235.00	106,826.25	5,591.25
12/31/2018	99,897.50	99,897.50	105,932.50	6,035.00
12/31/2019	98,547.50	98,547.50	106,060.00	7,512.50
12/31/2020	102,047.50	102,047.50	106,570.00	4,522.50
12/31/2021	95,260.00	95,260.00	102,952.50	7,692.50
12/31/2022	98,252.50	98,252.50	103,017.50	4,765.00
12/31/2023	96,190.00	96,190.00	102,777.50	6,587.50
12/31/2024	94,182.50	94,182.50	102,632.50	8,450.00
12/31/2025	97,112.50	97,112.50	103,158.75	6,046.25
12/31/2026	94,952.50	94,952.50	102,756.25	7,803.75
12/31/2027	97,686.25	97,686.25	103,122.50	5,436.25
12/31/2028	95,313.75	95,313.75	102,555.00	7,241.25
12/31/2029	97,885.00	97,885.00	102,653.75	4,768.75
12/31/2030	95,417.50	95,417.50	102,697.50	7,280.00
12/31/2031	97,823.75	97,823.75	102,583.75	4,760.00
12/31/2032	95,086.25	95,086.25	103,288.75	8,202.50
12/31/2033	87,422.50	87,422.50	96,182.50	8,760.00
12/31/2034	89,683.75	89,683.75	96,572.50	6,888.75
12/31/2035	91,700.00	91,700.00	96,772.50	5,072.50
12/31/2036	88,580.00	88,580.00	96,782.50	8,202.50
12/31/2037	90,300.00	90,300.00	96,602.50	6,302.50
12/31/2038	91,800.00	91,800.00	96,232.50	4,432.50
<b>Total</b>	<b>\$2,222,431.38</b>	<b>\$2,222,431.38</b>	<b>\$2,379,557.50</b>	<b>\$157,126.12</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	157,126.12
Gross PV Debt Service Savings	106,096.20
Net PV Cashflow Savings @ 3.987%(AIC)	106,096.20
Contingency or Rounding Amount	3,744.62
Net Present Value Benefit	\$109,840.82
Net PV Benefit / \$1,438,800 Refunded Principal	7.634%
Net Future Value Benefit	\$160,870.74
Net PV Benefit / \$1,485,000 Refunding Principal	7.397%
Average Annual Cash Flow Savings	6,546.92

### Refunding Bond Information

Refunding Dated Date	1/20/2015
Refunding Delivery Date	1/20/2015

Preliminary

**\$61,000**

Wood Creek Water District

Series 1980

## Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	387.50	387.50
12/31/2016	3,000.00	-	700.00	3,700.00
12/31/2017	3,000.00	-	550.00	3,550.00
12/31/2018	3,000.00	-	400.00	3,400.00
12/31/2019	3,000.00	-	250.00	3,250.00
12/31/2020	3,500.00	5.000%	87.50	3,587.50
<b>Total</b>	<b>\$15,500.00</b>	<b>-</b>	<b>\$2,375.00</b>	<b>\$17,875.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	1/20/2015
Average Life	3.012 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	3.012 Years

### Refunding Bond Information

Refunding Dated Date	1/20/2015
Refunding Delivery Date	1/20/2015

Preliminary

**\$114,000**

Wood Creek Water District

Series 1992

## Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	1,907.50	1,907.50
12/31/2016	2,900.00	-	3,742.50	6,642.50
12/31/2017	3,100.00	-	3,592.50	6,692.50
12/31/2018	3,200.00	-	3,435.00	6,635.00
12/31/2019	3,400.00	-	3,270.00	6,670.00
12/31/2020	3,600.00	-	3,095.00	6,695.00
12/31/2021	3,700.00	-	2,912.50	6,612.50
12/31/2022	4,000.00	-	2,720.00	6,720.00
12/31/2023	4,100.00	-	2,517.50	6,617.50
12/31/2024	4,400.00	-	2,305.00	6,705.00
12/31/2025	4,500.00	-	2,082.50	6,582.50
12/31/2026	4,800.00	-	1,850.00	6,650.00
12/31/2027	5,000.00	-	1,605.00	6,605.00
12/31/2028	5,400.00	-	1,345.00	6,745.00
12/31/2029	5,600.00	-	1,070.00	6,670.00
12/31/2030	5,900.00	-	782.50	6,682.50
12/31/2031	6,200.00	-	480.00	6,680.00
12/31/2032	6,500.00	5.000%	162.50	6,662.50
<b>Total</b>	<b>\$76,300.00</b>	<b>-</b>	<b>\$38,875.00</b>	<b>\$115,175.00</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	1/20/2015
Average Life	10.137 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	10.137 Years

### Refunding Bond Information

Refunding Dated Date	1/20/2015
Refunding Delivery Date	1/20/2015

Preliminary

**\$1,711,000**

Wood Creek Water District

Series 1998 (ESTIMATED)

## Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/31/2015	-	-	31,991.25	31,991.25
12/31/2016	33,000.00	-	63,198.75	96,198.75
12/31/2017	35,000.00	-	61,583.75	96,583.75
12/31/2018	36,000.00	-	59,897.50	95,897.50
12/31/2019	38,000.00	-	58,140.00	96,140.00
12/31/2020	40,000.00	-	56,287.50	96,287.50
12/31/2021	42,000.00	-	54,340.00	96,340.00
12/31/2022	44,000.00	-	52,297.50	96,297.50
12/31/2023	46,000.00	-	50,160.00	96,160.00
12/31/2024	48,000.00	-	47,927.50	95,927.50
12/31/2025	51,000.00	-	45,576.25	96,576.25
12/31/2026	53,000.00	-	43,106.25	96,106.25
12/31/2027	56,000.00	-	40,517.50	96,517.50
12/31/2028	58,000.00	-	37,810.00	95,810.00
12/31/2029	61,000.00	-	34,983.75	95,983.75
12/31/2030	64,000.00	-	32,015.00	96,015.00
12/31/2031	67,000.00	-	28,903.75	95,903.75
12/31/2032	71,000.00	-	25,626.25	96,626.25
12/31/2033	74,000.00	-	22,182.50	96,182.50
12/31/2034	78,000.00	-	18,572.50	96,572.50
12/31/2035	82,000.00	-	14,772.50	96,772.50
12/31/2036	86,000.00	-	10,782.50	96,782.50
12/31/2037	90,000.00	-	6,602.50	96,602.50
12/31/2038	94,000.00	4.750%	2,232.50	96,232.50
<b>Total</b>	<b>\$1,347,000.00</b>	<b>-</b>	<b>\$899,507.50</b>	<b>\$2,246,507.50</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	1/20/2015
Average Life	14.006 Years
Average Coupon	4.7500000%
Weighted Average Maturity (Par Basis)	14.006 Years

### Refunding Bond Information

Refunding Dated Date	1/20/2015
Refunding Delivery Date	1/20/2015

**WOOD CREEK WATER DISTRICT**  
**STATEMENT OF NET POSITION**  
**December 31, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred savings from refunding bonds	\$ 25,987	\$ 28,709
Total deferred outflow of resources	<u>25,987</u>	<u>28,709</u>
Total assets and deferred outflow of resources	<u>36,347,081</u>	<u>37,364,602</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 156,048	\$ 181,798
Accrued interest	340,045	350,361
Current portion of long-term debt	513,700	498,200
Other current liabilities	<u>52,287</u>	<u>50,812</u>
Total current liabilities	<u>1,062,080</u>	<u>1,081,171</u>
<b>Noncurrent liabilities</b>		
Customer deposits	21,615	23,270
Unamortized premium on debt	5,470	6,030
Long-term debt	<u>15,181,000</u>	<u>15,696,700</u>
Total noncurrent liabilities	<u>15,208,085</u>	<u>15,726,000</u>
Total liabilities	<u>16,270,165</u>	<u>16,807,171</u>
<b>NET POSITION</b>		
Net investment in capital assets	17,654,702	18,109,709
Restricted for:		
Debt service	873,753	832,610
Other purposes	24,959	38,291
Unrestricted (deficit)	<u>1,523,502</u>	<u>1,576,821</u>
Total net position	<u>20,076,916</u>	<u>20,557,431</u>
Total liabilities and net position	<u>\$ 36,347,081</u>	<u>\$ 37,364,602</u>

The accompanying notes are an integral part of the financial statements



**WOOD CREEK WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating revenues		
Water sales	\$ 4,716,085	\$ 4,827,761
Sewer service	425,526	376,351
Penalties and service charges	105,471	108,918
Tap-on fees	99,985	97,795
Other	98,011	41,518
Total operating revenues	5,445,078	5,452,343
Operating expenses		
Purchased water and power	412,881	364,346
Water treatment	1,542,744	1,275,896
Transmission and distribution	794,507	929,299
Administration of customer accounts	306,241	322,815
Administration and general	466,986	304,426
Sewer maintenance and treatment	435,789	380,375
Amortization	4,569	4,568
Depreciation	1,282,168	1,272,205
Total operating expenses	5,245,885	4,853,930
Operating income (loss)	199,193	598,413
Nonoperating revenues (expenses)		
Interest income	631	2,017
Gain on disposition of equipment	4,754	-
Interest on long-term debt	(675,535)	(699,708)
Other expense	(9,558)	(7,892)
Total nonoperating revenues (expenses)	(679,708)	(705,583)
Change in net position	(480,515)	(107,170)
Net Position, January 1	20,557,431	20,830,415
Prior period restatement (See Note 13)	-	(165,814)
Net Position, December 31	\$ 20,076,916	\$ 20,557,431

The accompanying notes are an integral part of the financial statements

**WOOD CREEK WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the years ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Receipts from customers	\$ 5,301,901	5,395,313
Receipts from other activities	99,985	30,900
Payments to employees	(1,578,005)	(1,535,025)
Payments to suppliers	(2,374,800)	(1,981,709)
Net cash used in operating activities	<u>1,449,081</u>	<u>1,909,479</u>
Cash flows from noncapital and related financing activities		
Federal, state, and local grants	-	-
Net cash provided by noncapital and related financing activities	<u>-</u>	<u>-</u>
Cash flows from capital and related activities		
Purchases of property, plant, and equipment	(324,239)	(470,121)
Proceeds from the sale of equipment	4,754	-
Principal payments on debt	(500,200)	(487,790)
Interest payments on debt	(685,851)	(709,195)
Miscellaneous nonoperating expense	(9,558)	(7,419)
Cash provided (used) in capital and related activities	<u>(1,515,094)</u>	<u>(1,674,525)</u>
Cash flows from investing activities		
Interest received on investments	631	2,017
Cash provided (used) in investing activities	<u>631</u>	<u>2,017</u>
Net increase in cash and cash equivalents	(65,382)	236,971
Cash and cash equivalents, January 1	<u>1,475,362</u>	<u>1,238,391</u>
Cash and cash equivalents, December 31	<u>\$ 1,409,980</u>	<u>\$ 1,475,362</u>
Reconciliation of change in net position to net cash used in operating activities		
Operating loss	199,193	598,412
Adjustments to reconcile change in net position to net cash used in operating activities:		
Depreciation	1,282,168	1,272,205
Amortization	4,569	4,568
Changes in assets and liabilities:		
(Increase) Decrease in customer and other accounts receivable	(43,192)	(28,595)
(Increase) Decrease in inventory	20,892	105,560
(Increase) Decrease in prepaid expense and other assets	9,726	(839)
Increase (Decrease) in accounts payable	(25,750)	(27,592)
Increase (Decrease) in accrued expense	1,475	(14,240)
Net cash provided by operating activities	<u>\$ 1,449,081</u>	<u>\$ 1,909,479</u>
Reconciliation of cash at end of year		
Cash and cash equivalents	\$ 511,268	\$ 604,461
Restricted cash and cash equivalents	898,712	870,901
Total cash at end of year	<u>\$ 1,409,980</u>	<u>\$ 1,475,362</u>

The accompanying notes are an integral part of the financial statements